

## Message Text

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67

ACTION AF-06

INFO OCT-01 ISO-00 AID-05 EB-07 /019 W  
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R 120805Z JAN 76  
FM AMEMBASSY COTONOU  
TO SECSTATE WASHDC 7999

C O N F I D E N T I A L COTONOU 0034

EO 11652: GDS  
TAGS: EINV, EAID, DM  
SUBJ: HICKENLOOPER AMENDMENT AND ONGOING AID PROJECTS

REF STATE 1030,

1. PURSUANT TO REFTTEL PARA 3 WE ARE DEVELOPING A FURTHER SERIES OF PRESENTATIONS AIMED AT GENERATING SOME POSITIVE PRB ACTIN RE COMPENSATION OF NATIONALIZED US INTERESTS. IT WILL HOWEVER TAKE A LITTLE TIME, SINCE MINISTERS OF FOREIGN AFFAIRS AND INDUSTRY/COMMERCE ARE OUT OF COUNTRY AND WILL PROBABLY NOT BE BACK FOR SEVERAL DAYS.

2. RE TIMING OF ANY AID ACTION UNDER HICKENLOOPER AMENDMENT, WOULD URGE IN STRONGEST TERMS THAT IT BE DELAYED PENDING RESULTS OF FURTHER EFFORT DESCRIBED IN PARA 1 ABOVE. IT WOULD BE PREMATURE TO CLOBBER BENIN WITH THE HICKENLOOPER AMENDMENT, PARTICULARLY SINCE USG DOES NOT SEEM TO HAVE USED IT VERY MUCH, IF AT ALL, IN THE PAST. WE WOULD RECOMMEND NOT PROCEEDING TO THE HICKENLOOPER/GONZALES AMENDMENT STAGES EXCEPT, AS NECESSARY, SOME TIME LATER, BY A SUCCESSION OF SPACED-OUT STEPS TAKEN IN ACCORDANCE WITH POLICY DECISION DESIGNED TO USE THE AMENDMENTS IN MOST ADVANTAGEOUS WAY POSSIBLE. APPLYING EITHER OR BOTH OF THESE AMENDMENTS AT AN EARLY DATE, AND PURELY AS A CONSEQUENCE OF A LEGAL FINDING, WITHOUT SOME FURTHER EFFORTS BY THE EMBASSY, WOULD UNDOUBTEDLY CAUSE ANGRY REPRISALS BY THE PRB.

3. IT WILL BE RECALLED THAT WE RECOMMENDED (75 COTONOU 1925) THAT BENIN BE DROPPED FROM LIST OF COUNTRIES ELIGIBLE FOR  
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GSP IN ORDER TO GIVE THE PRB AN INCENTIVE TO GET MOVING TOWARD

INDEMNIFICATION. SOME TIME FOLLOWING THE PUBLIC ANNOUNCEMENT OF THE DROPPING WILL BE NEEDED IN ORDER TO GIVE US A REASONABLE OPPORTUNITY TO MANEUVER TOWARD OUR OBJECTIVE.

4. WHILE WE ARE QUITE RIGHTLY SUGGESTING TO THE PRB THAT THE COST OF SETTLEMENT OF CLAIMS BE WEIGHED AGAINST THE VALUE OF AID THAT MIGHT BE LOST IF SANCTIONS ARE APPLIED, WE BELIEVE USG SHOULD ALSO USE MATHEMATICAL APPROACH. WE SHOULD ALSO WEIGH THE COST OF NON-SETTLEMENT OF CLAIMS AGAINST THE RISKS OF LOSING A SUBSTANTIAL AMOUNT OF OUR POSITION HERE, AND POSSIBLY EVERYTHING, IF WE APPLY ALL THE SANCTIONS OF US LAW SIMULTANEOUSLY OR IN RAPID SUCCESSION.  
ENGLE

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## Message Attributes

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